

IOWA™
economic development

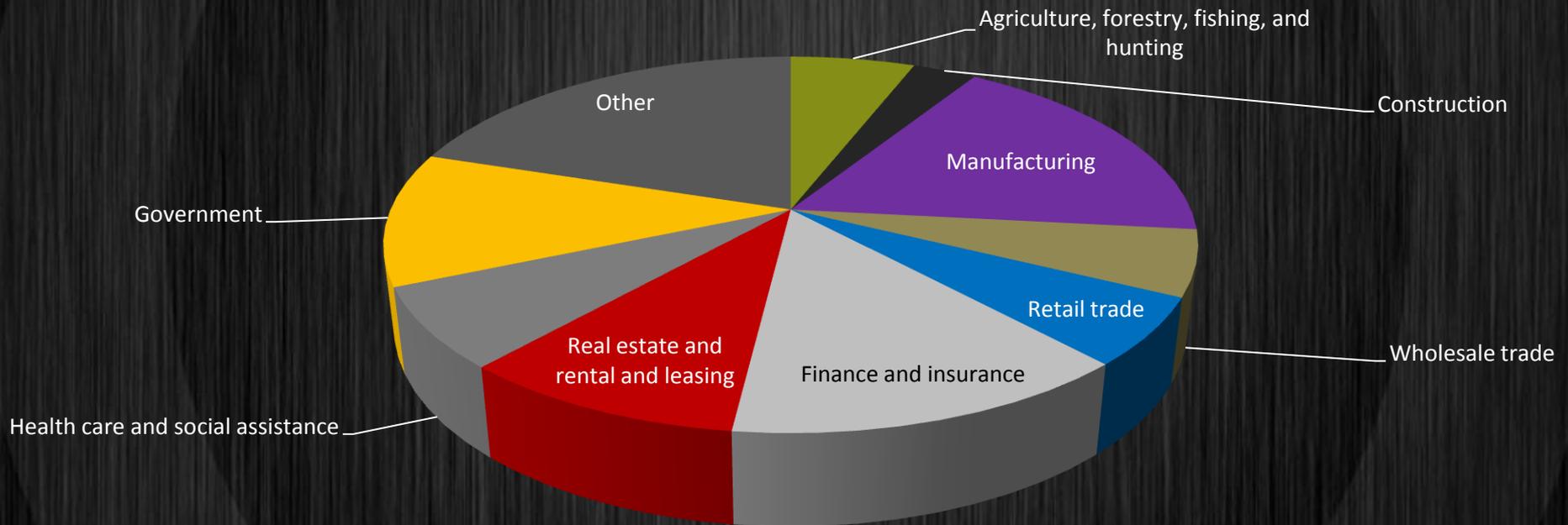


GROWING IOWA'S GLOBAL PARTNERSHIPS

Presented by:
Iowa Economic Development Authority
February 2013

Iowa's Economy

» Iowa's GDP in 2011 was \$149 billion



Iowa Agriculture

First in *corn production*

(19%)

of the total United States Production



Iowa Agriculture

First in *soybean production*

15%

of the total United States Production



Iowa Agriculture

First in *hog production*

(30%)

of the total United States Production



Iowa Agriculture

first in *egg production*

15.7%

of the total United States Production

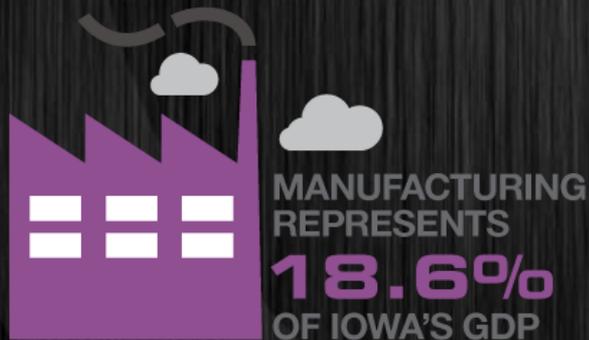


Iowa's Key Industries

- » Advanced Manufacturing
- » Renewable Energy
- » Financial services
- » Information Solutions
- » Advanced Manufacturing

Iowa Manufacturing

- » Manufacturing is largest economic sector
- » 14% percent of Iowa's workforce versus 8.9% nationally
- » \$28 billion of Iowa's Gross State Product (GSP)
- » Generates 18.6% of Iowa's GSP, versus 12.3% nationally



WE CONSISTENTLY
RANK AMONG
THE TOP 10
STATES IN THE
MANUFACTURING
SECTOR.



Iowa Manufacturing

- » Iowa's top performing industry divisions: Industrial metal processing, automation precision machinery, environment control systems, digital and electronic devices and power generation equipment

Iowa Manufacturing

- » Other key industries include:
 - Aerospace and defense
 - Industrial chemicals
 - Construction components
 - Commercial and industrial motor vehicles
 - Food and food ingredients
 - Printing and packaging
 - Medical drugs and devices

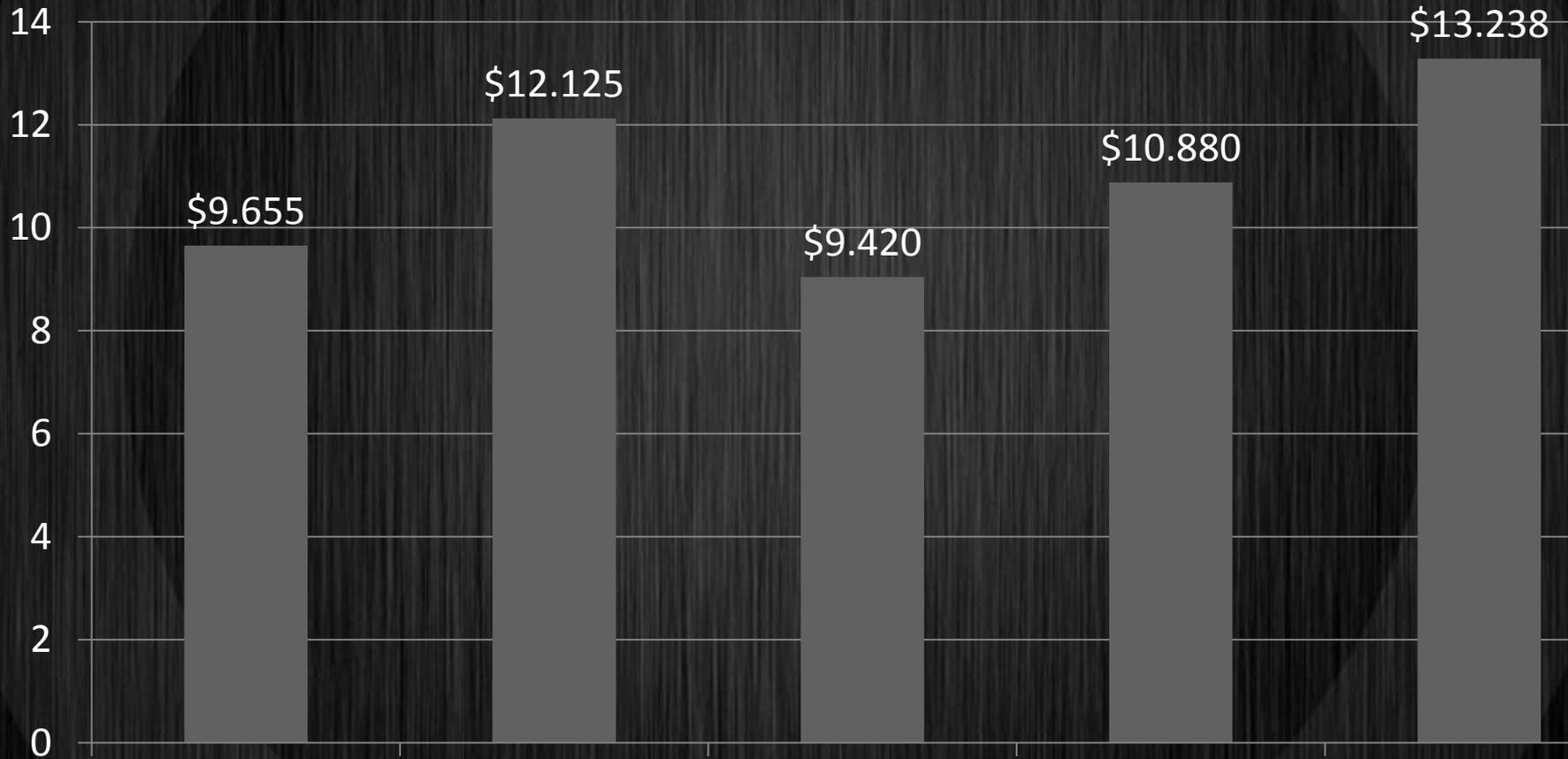
Iowa Manufacturing

- » Siemens
- » Pella Corporation
- » Rockwell Collins
- » John Deere
- » 3M
- » ALCOA
- » Eaton Corporation
- » Bridgestone
- » HON Industries
- » Magna International
- » Sauer-Danfoss
- » Gerdau
- » Terex Corporation
- » Case New Holland
- » Lennox Manufacturing Inc.
- » Cheil Jedang
- » Vermeer Manufacturing
- » Winnebago Industries Inc.
- » NSK
- » Emerson Electric
- » Whirlpool
- » Goodyear
- » Sukup Manufacturing
- » SSAB

Iowa Exports

- » Iowa's products and services were exported to 192 countries in 2011 (Source: GTIS)
- » 2,447 companies exported goods from Iowa locations in 2009*
- » Of those companies, 82% (2,008) are small and medium size enterprise (SME) *
- » SMEs generated about 27 percent of Iowa's total exports of merchandise in 2009*

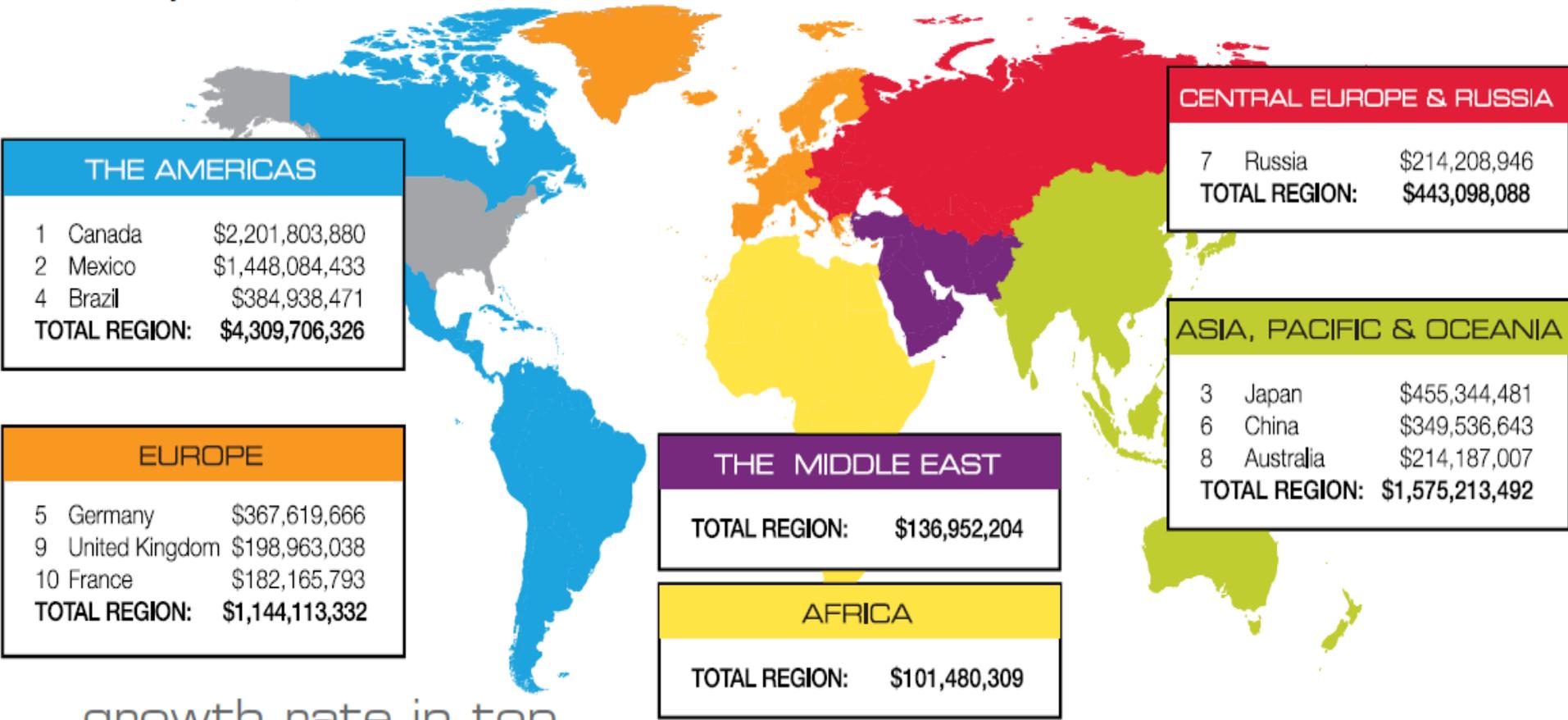
Iowa Exports



Iowa Exports

export regions and top ten export markets

January to June, 2012



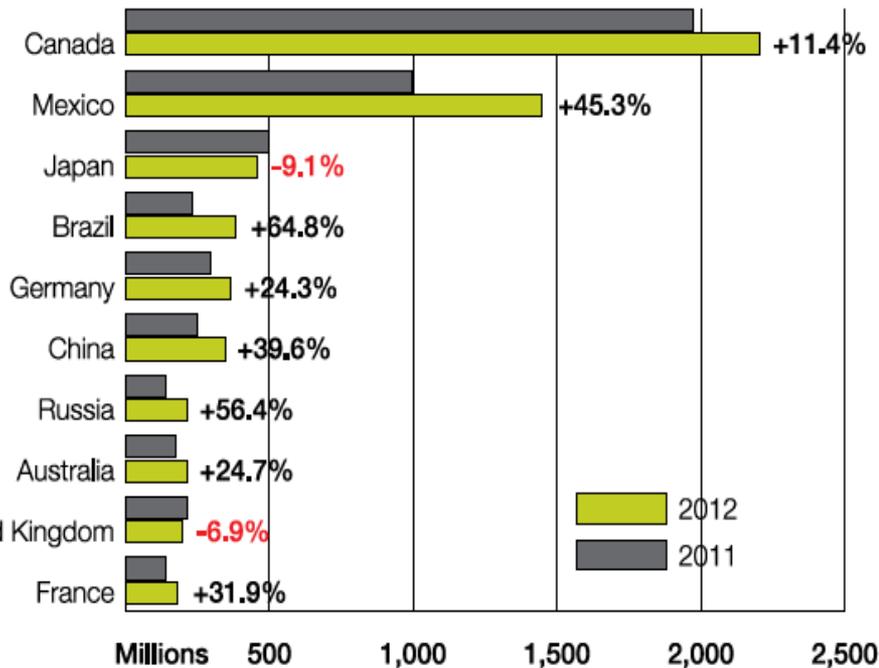
growth rate in top

Iowa Exports

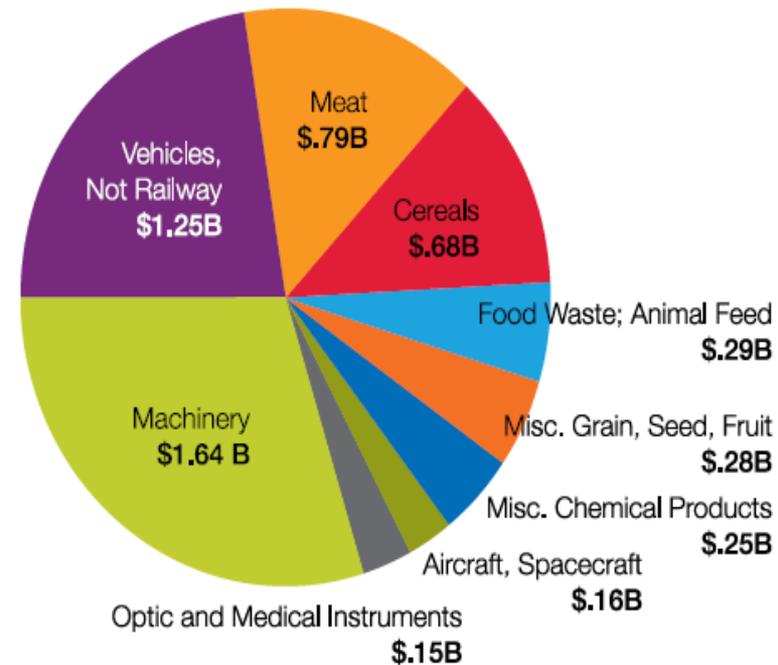
Machinery	2.838	21.3%
Vehicles	1.673	12.6%
Meat	1.574	11.8%
Cereals	.828	6.2%
Food Waste/Animal Feed	.628	4.7%
Electric Machinery	.474	3.5%
Misc Grain/Seed/Fruit	.442	3.3%
Misc Chemical Products	.347	2.6%
Iron/Steel	.294	2.2%
Iron/Steel Products	.290	2.1%

Iowa Exports

growth rate in top export markets
January to June, 2011 & 2012



top export commodities
January to June, 2012



Iowa Exports

Davenport-Moline-Rock Island	\$6.7 billion
Council Bluffs-Omaha	2.7 billion
Sioux Land Region	2.6 billion
Des Moines & vic	.970 billion
Cedar Rapids & vic	.881 billion
Iowa City	.317 billion
Ames	.256 billion
Waterloo/Cedar Falls	.220 billion
Dubuque	.150 billion

Business Recruitment

» Community Size

- Cities Under 10,000 45%
- Cities 10,000 or larger 55%

» Company Size

- Small Companies 58%
- Medium Companies 19%
- Large Companies 23%

» Project Type

- Recruitment 6%
- Expansion 68%
- Start-Up 26%

Business Recruitment Tools

- » **Favorable tax & regulatory climate**
- » **Favorable resources**
 - Workforce
 - Supply chain
 - Infrastructure
- » **Iowa Site Certification Process**
 - Small Companies
 - Large Companies
- » **Lois System**
 - Recruitment
 - Expansion

Iowa's Favorable Tax Climate

- » Iowa Corporate Income Tax
 - Single-factor, non-unitary tax, based only on the percentage of total sales income within the state of Iowa means a lower tax rate
 - Numerous Iowa income tax credits are available depending upon investment and job creation
- » No Sales or Use Taxes on Manufacturing Machinery Equipment and Computers
- » No Sales or Use Taxes on Energy Used in the Manufacturing Process
- » No Sales or Use Taxes on Materials Used in the Manufacturing Process

Iowa's Key Business Advantages

- » Right-to-work state
- » One of only a few states in the nation to consistently offer a refundable research and development activities tax credit
- » Competitively priced buildings and sites
- » Direct financial assistance and tax benefit programs for job creation and new capital investment projects
- » Flexible job-training programs that provide customized training for new and current employees

Iowa is Less Expensive

- » Lowest Cost of Doing Business among the 50 U.S. states (CNBC 2009, 2010 & 2011)
- » Lower wages – 15% less than U.S. average
- » Low electricity rates – 30% less than U.S. average
- » Industrial lease rates – 24% below U.S. average
- » Lower insurance costs – health insurance costs 5% to 10% less than U.S. averages

Iowa's Other Key Business Factors

- » No Personal Property (Inventory) Tax
 - Personal property is not assessed for tax purposes
- » No Property Tax on Industrial Machinery and Equipment
- » Lower Worker's Compensation Rates
 - 16% below the U.S. average

Iowa Site Certification Program

- » Site Certification is a designation that a site meets certain readiness criteria
 - Criteria are based on location needs of private sector companies
- » Site Certification is a trend that is growing rapidly
 - Driven by speed-to-market pressures on companies
- » Site Certification is an initiative being undertaken by various groups with a stake in economic development
 - State and regional organizations
 - Utility providers
 - Individual developers

Iowa Site Certification Benefits

- » To develop a portfolio of certified sites that will make Iowa more competitive in site selection projects
- » Site certification provides the following benefits:
 - Allows for effective pro-active marketing
 - Prepares you for better re-active marketing
 - Educates you on the site's strengths and weaknesses
 - Prepares you to offer development assistance as may be needed
 - Speeds up development schedule by having due diligence completed

Iowa Site Certification Overview

MINIMUM CRITERIA

- » Iowa's Certified Site Program is designed with 3 categories based on site size:
 - Large Sites: 250-499 acres
 - Super Sites: 500-999 acres
 - Mega Sites: 1,000+ acres

Iowa Site Certification Overview

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LOIS online tool

- » **Most widely used site selection tool in country**
 - Over 1000 properties listed
 - 50 state comparison
 - Workforce programs
 - Community profiles
 - GIS layers
 - Tax comparisons
 - Incentives

Iowa's Incentive Programs

» Based on:

- Numbers of Jobs Created – more jobs, the greater the incentives
- Wage Rates & Fringe Benefits of Jobs – the higher the wages, the greater the incentives
- Capital Investment Types & Amounts

» Assist companies through:

- Income Tax Credits – 1% to 10% of project capital expenditures
- Job Training Funding – depends on jobs/wages
- Direct Financial Assistance – average of \$5,000 \$8,000 per qualifying job

Iowa's Incentive Programs

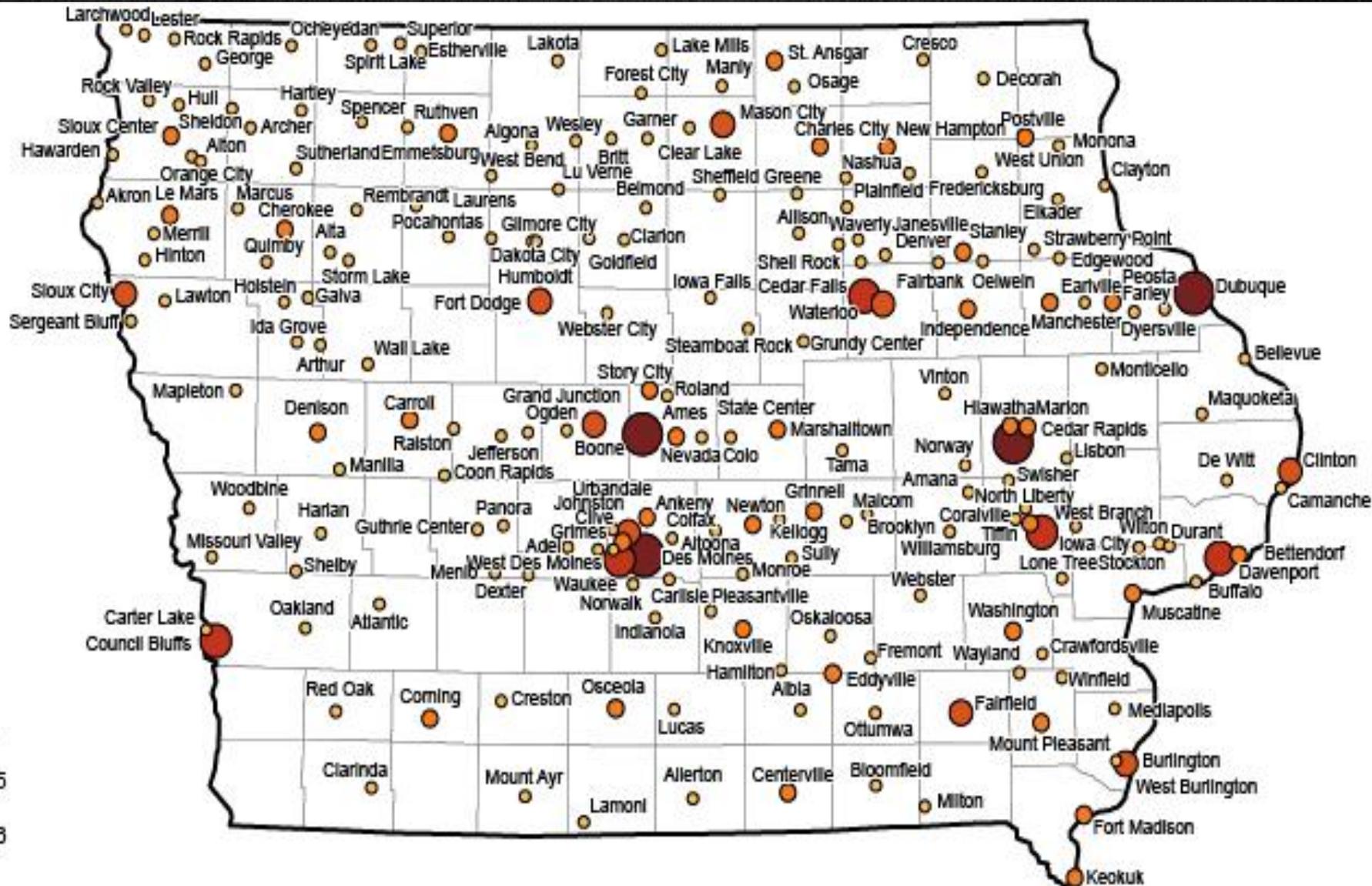
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Business Recruitment



Foreign Direct Investment in Iowa

- » 433 foreign-owned companies in Iowa
- » Employing over 43,000 people
- » Foreign firms account for 7.1% of Iowa's manufacturing employment
- » Foreign firms in Iowa have \$9.4 billion of capital investment



Thank you for considering Iowa

Joseph Rude

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